Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) A method for producing watermarked digital image data comprising:

providing digital image data that represents an image;

applying a digital watermark to the digital image data to produce watermarked digital image data; and

applying a transformation to the watermarked digital image data to improve the quality of the digital image data to be printed and to produce transformed watermarked digital image data, the transformation being at least approximately an inverse of a print-scan distortion transformation; and

printing an image on the basis of the transformed watermarked digital image data.

2. (Original) The method according to claim 1, further comprising:

applying the print-scan distortion transformation to the digital image data prior to the step of applying the digital watermark to the digital image data.

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3. (Canceled)

- (Currently Amended) The method according to claim 32, further comprising:
 scanning the printed image to produce scanned image data.
- (Original) The method according to claim 4, further comprising: analyzing the scanned image data to retrieve the watermark therein.
- (Original) The method according to claim 1, further comprising:
 loading the transformed watermarked digital image data into a postage meter.
- 7. (Original) The method according to claim 6, further comprising: using the postage meter to print a postage meter indicia on a mail piece, the postage meter indicia including a printed image based on the transformed watermarked digital image data.
- (Original) The method according to claim 7, further comprising:
 scanning the printed image to produce scanned image data.
- (Original) The method according to claim 8, further comprising: analyzing the scanned image data to retrieve the watermark therein.

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10. (Canceled)

11. (Currently Amended) A method for producing watermarked digital image data comprising:

providing watermark data that represents a digital watermark:

applying a transformation to the watermark data to <u>improve the quality of the digital image data to be printed and produce transformed watermark data, the transformation being at least approximately an inverse of a print-scan distortion transformation:</u>

providing digital image data that represents an image; and combining the transformed watermark data with the digital image data to produce watermarked digital image data that is printed.

- (Original) The method according to claim 11, further comprising:
 printing an image on the basis of the watermarked digital image data.
- (Original) The method according to claim 12, further comprising:
 scanning the printed image to produce scanned image data.
- 14. (Original) The method according to claim 13, further comprising: analyzing the scanned image data to retrieve the watermark therein.
- 15. (Original) The method according to claim 11, further comprising:

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loading the watermarked digital image data into a postage meter.

16. (Original) The method according to claim 15, further comprising:

using the postage meter to print a postage indicia on a mail piece, the postage meter indicia including a printed image based on the watermarked digital image data.

17. (Original) The method according to claim 16, further comprising: scanning the printed image to produce scanned image data.

18. (Original) The method according to claim 17, further comprising: analyzing the scanned image data to retrieve the watermark therein.

- 19. (Currently Amended) A method comprising:
 - (a) providing digital image data that represents an image;
- (b) applying a digital watermark to the digital image data to produce watermarked digital image data;
- (c) applying a print-scan distortion transformation to the watermarked digital image data to produce transformed watermarked digital image data that improves the quality of the digital image data to be printed;
- (d) retrieving a characteristic of the watermark as represented by the transformed watermarked digital image data produced at step (c);
- (e) printing an image on the basis of the watermarked digital image data produced at step (b);

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- (f) scanning the printed image to produce scanned image data;
- (g) retrieving a characteristic of the watermark as represented by the scanned image data produced at step (f); and
- (h) comparing the characteristic retrieved at step (d) with the characteristic retrieved at step (g).